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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 001450

SIPDIS

TRANSPORTATION FOR FAA; DAKAR PLEASE PASS TO FAA REP ED JONES; ROME PLEASE PASS TO TSA REP JOHN HALINSKI

E.O. 12958: DECL: 09/15/2015

TAGS: EAIR EINV PREL NI

SUBJECT: VIRGIN NIGERIA APPLIES FOR U.S. ROUTE

REF: LAGOS 1289

Classified By: Consul General Brian L. Browne for reason 1.4(d).

¶1. (U) This is an action cable. See paragraph 8.

¶2. (C) Summary. Virgin Nigeria (VN) CEO, Simon Harford, and Head of Corporate Development, Yemi Osindero, recently told ConGen officers their application for a direct U.S. route was nearly completed, and requested Embassy officials submit the application to the Department of Transportation (DOT) once it had been finalized. Harford also has appeared in public with the new Minister of Aviation, promising to work together to meet FAA category 1 requirements. VN is hoping to use the prospect of it being a leader on safety issues as another fillip for DOT approval of a direct flight to the U.S. VN hopes to obtain the DOT approval by Christmas 2005. Mission requests guidance on whether to accept the VN application for forwarding or to advise VN to submit it directly to DOT. End Summary.

Virgin Nigeria is Ready for Direct U.S. Flights

¶3. (C) On September 12, Virgin Nigeria CEO Simon Harford met Consulate officials to discuss VN's application for a direct route to the United States. He said the application would be completed by September 14 and asked if Embassy Abuja would forward the application to the DOT on VN's behalf. He intimated a USG official at a recent aviation conference in Addis Ababa advised him to use Embassy channels to submit the application. Harford expressed hope the turbulence that occasioned Continental's departure from the Nigerian market had dissipated. He thought that VN's decision to ask the DOT first to send information on the application process, although it led to a two month delay in waiting for a response (reftel), had allowed some time to pass to heal any wounds. Harford continued to stress the value of competition in the Nigerian market and hoped to get USG officials involved again in introducing a U.S. carrier. Harford claimed miscommunications in the past between the GON and Embassy officials had created bad blood. (Comment: VN is a direct beneficiary of Continental's exit. Thus, Harford's call for greater competition and the introduction of a U.S. carrier ring hollow. VN did not lend a supportive voice when Continental was here, yet VN now laments only after Continental is good and gone. End Comment.)

Airline Takes Prominent Role in Airport Safety

¶4. (C) VN stressed they were working hand-in-hand with the new Minister of Aviation to reach category 1 safety standards for Nigerian airports. They were quite specific about their leading role in the efforts and their close relationship with the GON; Harford even boasted that he would be appearing with the Minister in November at an aviation conference in Miami to roll out a plan for achieving benchmarks.

VN Sees Safety Certification as Key to U.S. Route

¶5. (C) The GON had earlier requested a team of consultants to inspect airports and make recommendations for improving airport safety. Surprisingly, given the close relationship between VN and the Ministry of Aviation, Harford was unaware of the request and the DOT's agreement to visit Nigeria. Harford wanted to meet the DOT team. Harford emphasized VN's seminal role in augmenting the Ministry's efforts to improve safety standards, and noted that USG officials had commended their actions.

¶6. (C) In a separate conversation, one of VN's non-executive board directors said Harford was seeking authorization to begin hiring and purchasing airplanes for a planned Christmas flight to New York. Boeing has already contacted the Consulate Security Office regarding the placement of consultants in Lagos to assist VN with the new planes. It

seems that the VN-Boeing meetings reported reftel are moving forward. The VN Board, however, is cautious about expansion, and skeptical of Harford's ability to get the U.S. route so quickly. In addition, VN's Board is concerned over domestic airline Chanchangi's recent doubling of salaries for pilots, which has caused a significant move of VN personnel to Chanchangi.

17. (C) Comment. Following the meeting reported reftel, this meeting represents VN's and Harford's second advance in their "charm offensive" with us. Harford exuded confidence regarding VN's ability to meet DOT requirements for a U.S. route. Underlying this confidence, however, is an uncertainty whether the USG would mete out the same treatment to VN that the GON gave to Continental. At this last meeting, he dangled VN's commitment to improve airport safety to coax our support for VN's application. When asked why it took so long for VN to submit the application, Harford expatiated that his airline was new and thus ignorant of the process. (The latter part of this explanation no doubt was intended to show VN was not a vassal of the greater Virgin conglomerate.) Harford is making a strong and surprisingly transparent effort to woo the Mission over to his side and, in doing so, is shaping facts to paint the rosiest possible picture of his airline's activities. End comment.

18. (C) Action requested: Mission requests guidance from State and DOT on whether to accept the VN application for forwarding, or to advise VN to submit the application directly to DOT. Further guidance on whether it would be useful to have more in depth discussions with VN on safety issues is also requested.

BROWNE